PUBLIC POLICY 559S.01; LAW 585

Philanthropy, Voluntarism and Not-For-Profit Law and Management

Sanford School of Public Policy and the School of Law
Duke University

Spring Semester, 2023
Wednesdays, 10:15 a.m.—12:45 p.m.
Room 003

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This syllabus will guide our proceedings, gently and flexibly. Although we may adjust it as we proceed, we do not anticipate major departures. we will advise you of significant changes, if any, at least a couple of weeks in advance.

Books to Purchase

1. Nonprofit Organizations: Cases and Materials, 6th ed. James Fishman and Stephen Schwarz, Foundation Press, 2015
2. Good to Great and the Social Sectors: A Monograph to Accompany Good to Great. Jim Collins, 2005.

Registered students can access the Nonprofit Organizations: Cases and Materials, 6th ed at the Duke Law library. To take advantage of the law library's resources, students must present their name and the books call number ***KF1388.F57*** *to the librarian. Through this process you can have the book out for a 4-hour loan. During this loan period, you can either read the required cases or you are allowed use of the library scanner to scan the required readings and read at a later time.*

Required and Recommended Readings

Required readings other than those listed above will be available on the course Sakai site. The articles listed as "Recommended" and "For Further Reading" are NOT REQUIRED READINGS. We are providing them in order to guide you in exploring any subjects of particular interest to you, even if we do not focus on them in class. If you have trouble locating an article please let the TA know, as we may have copies in the office. As new articles relevant to the course are published during the semester, they will appear on the Sakai site and/or be circulated in class; please check the Sakai site regularly for announcements regarding additions or changes to the reading assignments. We will also distribute additional clippings or readings every week, not intended to be assignments but to be illustrations that will inform class discussions.

Teaching Assistants and Scheduling Appointments with Professor Fleishman

Emily Rounds, our teaching assistant for the class, will be available throughout the semester to answer questions. You can contact Emily via email at emilia.rounds@duke.edu. If you wish to make an appointment with us, please call Cassie Lewis, at 919-613-7376, or email cassie.lewis@duke.edu.

Chronicle of Philanthropy Subscription

Many class readings are published by The Chronicle of Philanthropy online. Access to the Chronicle of Philanthropy is free but requires the creation of an online profile. During class, we will identify and discuss articles of primary importance, especially trends or major events occurring in the nonprofit and philanthropic worlds.

Foundation Impact Research Group

Students are encouraged, but not required, to attend Foundation Impact Research Group (FIRG) seminars held almost every third Wednesday afternoon at 4:30 p.m. The purpose of these seminars is to stimulate faculty and student research on strategic choice making of foundations and the measurement of foundation impact on society. The speakers at these seminars are usually the presidents of foundations or major nonprofits. The FIRG dates and speakers are listed throughout the syllabus and will be announced in class.

The schedule for Spring 2023 FIRG seminars is as follows:

January 25: Cheryl Stern of the Walton Foundation
February 15: Rip Rapson of the Kresge Foundation
February 22: Mayor Justin Bibb, Mayor of Cleveland (in conjunction with POLIS)
March 8: Ginny Esposito of the National Center for Family Philanthropy
March 29: John Palfrey of the MacArthur Foundation
April 19: Barbara Picower of the JPB Foundation (Zoom only)

Please visit our website for videos and blog recaps of our most recent FIRG seminars. http://cspcs.sanford.duke.edu/

Sanford Ph.D. Graduate Fellowships For Study Of Philanthropy And The Media

A limited number of graduate fellowships for Sanford Ph.D. candidates who plan to focus their research on the intersection of philanthropy and the media are available. Please consult Professor Kristin Goss, kgoss@duke.edu, for information on eligibility.

COVID-19 Policy

If a student has been exposed to COVID-19 or the student is experiencing COVID-like symptoms, the student should not attend class and contact Student Health immediately. If a student must miss class based on COVID-19 symptoms, a COVID-19 diagnosis, or if they are required to quarantine, the student should adhere to the absence policy provided.

Absence Policy

In-person participation is vital to this class. However, under the current world circumstances, we understand that absences may occur due to illness and extenuating circumstances. If a student is unable to attend class due to an illness or emergency, the student should notify the instructors and the TA as soon as possible, preferably before class. All classes will be recorded and uploaded onto the Sakai site via Panopto. Students should communicate with the TA and instructors if they are unable to complete weekly assignments due to their absence from class. The instructors and TA will work with students to ensure required work is completed.

COURSE OVERVIEW

The scope of this seminar is as broad as the idea of the voluntary sector itself, with particular attention to the American version thereof. The central question to be addressed is the extent to which, and how, a large number of people of varying ethnic, racial, religious, and cultural backgrounds, living together in a country, state, or city, governed by democratically elected officials, can, may or should rely on organized or unorganized voluntary action by citizens to fulfill both their own individual needs and the needs of their respective communities. In the wake of the September 11th challenges to American security and society, the radical changes affecting social policy and the not-for-profit sector that were instituted by Donald Trump's election as President of the United States in November 2016, as well as the Coronavirus 2019 pandemic that has killed almost 300,000 Americans and sickened many more, the role of the not-for-profit sector in bringing Americans together across the lines that divide us has become all the more important.

To explore those questions, we will examine alternative allocations of responsibility for solving particular problems -- voluntary, not-for-profit, for-profit, joint public/private, publicly encouraged/subsidized, and publicly coerced -- along with examples, reasons, and theories for particular forms of organization. We will probe what it is that motivates donors and volunteers to give money and time, and to assess not only their effectiveness in solving or ameliorating problems but also the comparative praiseworthiness of their respective motives. Private, community and corporate foundations, as well as the tax-exempt organizations to which they and other donors contribute, are part of the inquiry, especially as to their goals, decision rules, governance, and public accountability. We will continuously examine the framework of public policy that embodies public judgments about the desirability of allocating some part of the burden of social problem-solving to voluntary organizations alone or in partnership with public organizations, as well as the tax policies that are crafted to facilitate and encourage such problem-solving policies. We will also examine the laws defining the boundaries between permissible and impermissible action by not-for-profits. Because of the growing demand for accountability of the not-for-profit sector in general, and of foundations in particular, we will focus throughout the course on the extent to which foundations and nonprofit organizations are achieving social impact commensurate with the tax benefits they and their donors are receiving. We will also examine the social utility of perpetuity in foundations as opposed to limited lifetimes for foundations, the latter of which permit a more rapid distribution to society of foundation assets than the legally required minimum annual payout by perpetual foundations of 5% of their asset value.

The class will be conducted as a discussion seminar, with so-called Socratic dialogue as the dominant practice. You will be expected to be familiar with the central ideas in the required readings and to be prepared to answer questions about them. Class attendance will be recorded and the quality of your participation in class discussion will be noted.

While computers are indispensable to participate in class discussions, students should limit their use for taking notes on the class discussions, and rigorously avoid any non-class-related viewing or typing. Multi-tasking during class diminishes the quality of discussion in the seminar, which depends heavily on student attentiveness and discussion. Similarly, students **must** refrain from using cell phones during the class.

Weekly Papers

The principal reason this course is a seminar rather than lecture-based stems from your professors' hope to help enable you to learn to write more clearly, simply and economically by careful analysis of competing ideas about solving or mitigating problems in public policy. **Six weekly papers, each of approximately 1,250 words, 18pt. font Times New Roman, double-spaced, are required, beginning with the second class.** As your papers are intended to help you frame the required readings of the week, they must be submitted in time for my co-professor Damon Circosta and me to correct them and return them to you at the class in which the readings you write about are discussed. To meet that schedule, each week's **papers must be e-mailed to Damon and me** at joel.fleishman@duke.edu and damon@ajf.org **by 4:00 p.m. on the Sunday before class. Papers are to be sent only as Word attachments.** Both of us will correct all papers and return them to you, graded and commented upon by both of us, at class the following Wednesday, with detailed comments on grammar, syntax, style, and usage.

For all sessions except as otherwise specified in the syllabus section on each class, we will expect you to use the assigned paper both to synthesize and criticize the main ideas presented in the required readings. As this seminar offers you an opportunity to help you improve your writing, spelling, and syntax by learning from the mistakes of others as well as your own, we will often spend the first part of the class sessions for which papers are required in discussing writing transgressions frequently committed, of course without identifying the individual grammatical miscreants.

The weekly papers will be graded on a scale of 1 to 12, with 10 generally equivalent to an A. The grades will be recorded, along with one's presence or absence in class and the quality of one's contribution to class discussion. The term paper will also be graded, but on a scale that is in accordance with the grading system of Trinity, the Graduate School, or the professional school in which you are enrolled. Grades on the weekly papers and class participation will together constitute 75 percent of the term grade, and the grade on the term paper will supply the other 25 percent. Please note that, in the past, students have sometimes received grades as high as 12 for exceptional performance on the weekly papers. In prior years, when some students consistently received 11's and 12's on their papers, students who received an average grade of 10 on the weekly papers have not necessarily received an A or its equivalent for the course because overall grades for the course are required to be curved.

SCHEDULE OF WEEKLY PAPER SUBMISSION

- Paper 1: January 22nd
- Paper 2: January 29th
- Paper 3: February 5th
- Paper 4: February 12th
- Paper 5: February 26th
- Paper 6: March 5th

Please submit your weekly papers in word format (size 18pt Times New Roman font, double spaced, approximately 1,250 words) no later than 4 p.m. on the days above. Papers that are submitted late will be marked down.

Final Term Paper

In addition, a term paper of approximately 25-30 pages (size 18pt Times New Roman font, double spaced) will take the place of a final examination. It must be emailed to Damon and me at joel.fleishman@duke.edu and damon@ajf.org **no later than 4:00 p.m. on April 30.** It is our practice to keep clean copies of student papers, so you will be asked to resubmit a corrected version of your paper after Damon and I have returned it to you corrected and graded.

The Academic Resource Center (ARC) offers free services to all students during their undergraduate careers at Duke. Services include Learning Consultations, Peer Tutoring and Study Groups, ADHD/LD Coaching, Outreach Workshops, and more. Because learning is a process unique to every individual, we work with each student to discover and develop their own academic strategy for success at Duke. Contact the ARC to schedule an appointment. Undergraduates in any year, studying any discipline can benefit!

211 Academic Advising Center Building, East Campus – behind Marketplace
arc.duke.edu • theARC@duke.edu • 919-684-5917

Your term paper should present a careful analysis of any significant issue affecting foundations or nonprofits that is of particular interest to you. As we have been working especially with foundations, we are focusing on possible subjects that relate to foundations, but the whole landscape of nonprofits and their programs are also open to you to write on. Your paper could deal with a particular significant achievement of a foundation or a group of foundations working together in bringing about, or trying unsuccessfully to bring about, a major change in public policy, or in pioneering what eventually became widespread practice in an area that affects the public interest. You may also focus on the strategy of a community foundation in dealing with a significant problem within the area of the foundation's geographical focus. If you choose a particular foundation initiative, your paper should also assess the strengths and weaknesses of the strategies attempted or implemented by that foundation or group of foundations for taking the achievement(s) to relevant scale. You should also feel free to write your paper on such issues as the investment policy of foundations, including whether it is beneficial to their purposes to use pro-social investing criteria, program-related investments, and/or mission-related investing. If you choose this topic, it's imperative that you gather empirical data on the different rates of return that foundations have achieved in comparison with investment policies that do not include social investing criteria. Your paper should also provide as much empirical data on impact as you can obtain with reasonable effort. We will be happy to introduce you to persons at the foundation, foundations, or nonprofits about which you are writing who can give you access to such documents or data as you need. Your choice of paper topic is entirely up to you. But, as pointed out below, **you must obtain our permission before starting any research or writing on the topic.**

To spark your thinking, you may find it useful to review the case studies which are online at The Center for Strategic Philanthropy and Civil Society's website (http://cspcs.sanford.duke.edu/) for brief analyses of past foundation initiatives. Those case studies also appear in Joel Fleishman, Scott Kohler, and Steven Schindler, The Casebook for The Foundation, New York: Public Affairs Books, 2007.

Among the relatively recent themes and approaches you might consider are donor experimentation with for-profit entities to carry out their philanthropic endeavors fashioned as social entrepreneurship and alliances between foundations and governments, foundations and business, or foundations and public charities or other foundations to achieve shared objectives.

If you prefer to write your term paper on some other topic related to this course, feel free to discuss your proposal with Damon or me, but you must have our approval before proceeding. Other possibilities include analyzing ongoing proposals for reform in the nonprofit sector, proposing your own reforms that balance the interests of accountability and flexibility or effectiveness, or evaluating the various forecasts of possibly tremendous upcoming intergenerational wealth transfers and their implications for the charitable sector.

IT IS ESSENTIAL THAT YOU THINK ABOUT POSSIBLE TOPICS AS SOON AS POSSIBLE AND CLEAR TOPICS WITH DAMON OR ME BEFORE BEGINNING RESEARCH. FOR YOUR OWN BENEFIT, WE WANT TO BE CERTAIN THAT YOU ARE NOT TAKING ON MORE THAN YOU CAN MANAGE AND ARE FRAMING YOUR TOPIC IN A WAY THAT MAKES SENSE IN THE CONTEXT OF THIS SEMINAR. Think about your term paper topic now and plan to start researching it by the end of the weekly paper submission dates. You should approve your topic with either Professor Fleishman or Professor Circosta in an in-person meeting no later than Sanford's mid-term break on Friday, March 10th.

Table of Contents

1. January 18: AN OVERVIEW OF THE COURSE

Defining non-profit, public charity, private foundation, endowments, and donor-advised funds. Overview of the nonprofit sector and philanthropic giving, requirements for exemption, operations, and impact.

Study Questions (topical issues recurring throughout the course):

1. Should not-for-profit organizations, including foundations, be made more accountable to the public than they are at present, and, if so, why and how? What are the arguments against too great an increase in accountability to government? From what source, if any, do foundations derive their legitimacy in general, as well as in efforts to effect change in public policy in particular?
2. Consider the pros and cons of the charge that foundations, which are substantially unaccountable to the public, disproportionately influence public policy. How does one measure "disproportionately"? "Disproportionately" with respect to what? To what extent should the public encourage or discourage initiatives in policy-related fields by foundations, given their lack of accountability to the public? What are the arguments for and against? Are foundations viewed as more or less legitimate than other kinds of non-for-profit organizations? In this age of increasing lobbying to influence public policies of a variety of kinds by for-profit corporations and individuals of great wealth, does the charge of unaccountability against foundations and nonprofits ring hollow? Does the charge of "disproportionate influence" have any quantifiable meaning in a nation governed by a Constitution that guarantees freedom of speech and freedom of association to every citizen and" the right of individuals peaceably to assemble and to petition the Government for a redress of grievances."
3. Do foundations improve social justice or perpetuate injustice? Explain your reasoning.
4. How effectively and efficiently do not-for-profit organizations, including foundations, perform their responsibilities? How can they or we measure their impact? Can metrics of impact be developed, and, if so, how? Are there ways of increasing the effectiveness of foundations without adversely affecting their freedom to benefit society according to their own views of what constitutes the public interest?
5. Should the minimum private foundation five-percent annual payout requirement be increased, and, if so, to what level? What reasons can you give for and against raising the minimum foundation annual payout? What are the criteria by which one can reasonably calculate what that payout rate should be?
6. Should financial services companies such as Fidelity be restricted in creating public charities that compete with community foundations? Why and why not?
7. What are the arguments for and against placing a ceiling on nonprofit endowments? Should universities, foundations, and other endowed entities be permitted to increase their endowments in perpetuity with no limitation on size?
8. What are the relevant standards of propriety for the amount of compensation to be given to not-for-profit executives? What are the appropriate comparison groups for the salaries of large foundation, hospital, and university presidents? When is it appropriate to use for-profit salaries as comparisons? When are such salaries excessive?
9. How is technology changing the ways in which charities raise, maintain and deploy money and volunteers? Does technology offer better means of improving the accountability to the public of foundations and other not-for-profits?
10. By what decision rule can America decide which social functions should be performed by which sectors—public, for-profit, not-for-profit—either separately or in some combination of two or three?
11. What do we know about the percentage of giving by income group? What might be done to increase giving by the wealthier?
12. What are the pros and cons for extending income tax charitable deductions for non-itemizers?

Main questions to be discussed in the first class session:

1. Why are you interested in taking this course?
2. How does each of you perceive the role of the not-for-profit sector?
3. Why are you interested in learning more about the not-for-profit sector?
4. What kinds of experience have you had in working or volunteering for nonprofit organizations?

<u>Required Readings (125 pages):</u>

<u>Recent Trends in Giving/ Nonprofits</u>

- “Foundations Respond to Crisis: A Moment of Transformation?” Center for Effective Philanthropy, (2020), (28 pgs).
- Susan M. Chambre, “Has Volunteering Changed in the United States? Trends, Styles, and Motivations in Historical Perspective,” HistPhil (09/28/20), (2).
- Phil Buchanan & Hilary Pennington, “Foundation CEOs Need to Send the Message That Unrestricted Giving Is the New Normal,” The Chronicle of Philanthropy (09/26/20), (3).
- Philip Rojc, “Lower the Ever. Forbes Latest Rankings Show the Extent of Billionaires’ Philanthropic Stinginess,” The Chronicle of Philanthropy, (10/23/21), (6).
- Jim Rendon, “The Philanthropy Roundtable’s CEO Opposes ‘Woke Philanthropy,’ Prompting Some Grant Makers to Flee and Others to Give More,” The Chronicle of Philanthropy, (8/9/21), (13).
- Andy Ware, “American Gave a Record $471 Billion to Charity in 2020, Amid Concerns About the Coronavirus Pandemic, Job Losses and Racial Justice,” Lilly Family School of Philanthropy, (6/16/21), (6).
- Phil Buchanan, “Givers & and the Government Step Up to Support Nonprofits,” The Hill, (6/20/21), (3).
- Liz Longley, “Rising Tide: Tracking the Emerging Philanthropy of China’s Ultra-Wealthy,” Inside Philanthropy, (6/9/21), (6).
- Elijah Goldberg, “Most Nonprofits Are Highly Effective, Check the Data.” The Chronicle of Philanthropy, (8/19/21), (3).
- Amir Pasic, “Can it Be? No New Institutions Will Emerge From Our Crisis,” Lilly Family School of Philanthropy, (10/7/21), (10).
- Philip Rojc, “Financial Sector Oversight is Crucial to Tackling Inequality. So Where is Philanthropy?” Inside Philanthropy, (10/1/21), (5).
- Drew Lindsay, “Should Philanthropy Fund Government? A $400 Million Gift Settles That Question in Kalamazoo Mich., For Years to Come,” The Chronicle of Philanthropy, (7/29/21), (5).
- Maria DiMento, “MacKenzie Scott’s No Strings Giving Reverberates Way Beyond the Direct Beneficiaries,” The Chronicle of Philanthropy, (6/1/21), (14).
- Mike Scutari, “Letting Go – A New Book Explores the Promise of Participatory Grantmaking,” Inside Philanthropy, (5/3/21), (12).
- Ryan Schlegel, “This is No Fleeting Crisis - It’s the New Normal. Are Foundations Ready to Get Serious?” Inside Philanthropy, (10/21/21), (9).

2. January 25: NON-PROFIT GOVERNANCE: LEGAL DUTIES OF DIRECTORS

Director Duties: Governance standards, performance shortcomings, and scandal in the nonprofit sector. Fiduciary duties, including the duty of care and duty of loyalty, and application to nonprofit trusts and corporations.

Paper #1 Due on Sunday, January 22nd, 4:00 p.m.: Discuss the major cases included in the assigned casebook readings. Page numbers are to the Fifth Edition (Fitzgerald v. NRA [p. 115-119]; Pepperdine [p. 123-127], Lynch v. John M. Redfield Foundation [p. 127-130], Stern v. Lucy Webb Hayes [p.130-143 and 156-162], Nixon v. Lichtenstein [p. 149-156], Adelphi v. Diamandopoulos [p. 162-172], and Northeast Harbor Golf Club, Inc. v. Nancy Harris [p. 172-178], and criticize and synthesize their holdings. Strive to understand how their respective holdings fit together based on the different fact situations each case presents. Be sure to discuss all seven cases. Each case is there for a reason.

For non-law students, this assignment may be your first encounter with law cases. If so, in reading the cases, focus your attention on: 1) what the plaintiff (the one who brings the suit that led to the case) wants; 2) what the defendant (the one against whom the suit is brought) claims in response to the plaintiff's demand; 3) what the court decides as between the plaintiff's and defendant's claims; and 4) what the court gives as the reason or reasons for deciding as it did. Focus on what the court holds—the actual disposition of the case and the remedy the court imposes—and not so much on what the court says almost parenthetically about what it has held. If you have any questions about this, please consult one of the law students in the class or Professors Circosta or Fleishman.

Study Questions

1. Against the background of the aspirations of the not-for-profit sector, we also need to face the fact that the not-for-profit sector has significant recurrent performance shortcomings. How can we best understand the reasons for these shortcomings in order to formulate effective policies and penalties to diminish their occurrence?
2. Does the inherent nature, structure, or governance of not-for-profit organizations make abuses more or less likely? What is it about nonprofits that makes them vulnerable to abuse?
3. Someone needs to be responsible for preventing scandals and abuses in the not-for-profit sector. Who should that be?
4. Can regulatory or legislative frameworks prevent scandals and abuses without undermining the desirable autonomy of the not-for-profit sector? Would any such frameworks be desirable?
5. In the absence of heavy-handed regulation, how can not-for-profit organizations be kept accountable? To whom should they be accountable?
6. What have the courts held to be the differing standards of directors' responsibility?

Required Readings (50 pages):

- Fishman/Schwartz (6th Edition), pages listed below, (40).
    - Cases: Fitzgerald v. NRA (pp. 129-134), Pepperdine (138-142), Lynch v. John M. Redfield Foundation (143-145), Stern v. Lucy Webb Hayes (146-160), Nixon v. Lichtenstein (170-177), Adelphi v. Diamandopoulos (177-187), Northeast Harbor Golf Club, Inc. v. Nancy Harris (188-196).
- Alex Daniels, "Report Paints Grim Picture of Fiscal Health of Nonprofits," The Chronicle of Philanthropy (10/09/20), (5).
- Lisa Ranghelli, "Low Pay and Poor Working Conditions Forced a Vital Nonprofit to Shut Down, I Was Complicit in Its Demise." The Chronicle of Philanthropy, (5/11/21), (5).

3. February 1: DONOR MOTIVATION AND DONOR INTENT

Donor Motivation and Donor Intent: Motivation and intent of the great philanthropists in their making and giving of money, and the average American.

Paper #2 Due on Sunday, January 29th, 4:00 p.m.: Analyze, criticize, and assess the main points in Andrew Carnegie's "Gospel of Wealth," which is the first attempt by a major donor to articulate a philosophy of charitable giving. This essay continues to influence donors even today. Compare and contrast the views, motivations, and practices of Carnegie with those of **any one** of the living philanthropists—such as Warren Buffett, George Soros, Richard Mellon Scaife, Eli Broad, Ted Turner, Bill Gates, Dustin Moskovits and Cari Tuna, Mark Zuckerberg and Dr. Priscilla Chen, and McKenzie Scott. Additional information on these donors can be found in the "further readings" document on Sakai and can be supplemented through your own research.

Study Questions:

1. Carnegie, Rockefeller, Duke, Mellon, Scaife, Turner, Gates, Soros, Buffett, Zuckerberg: Why did they say they were giving away such large amounts of money? What were their motivations for doing so? What ideas influenced them to do so? Who influenced them to do so? Their parents? Their peers? What role, if any, did their education play in motivating them to do so? What role did their religion play? What did their critics say about their intentions?
2. What is your reaction to the Gates and Buffett Giving Pledge?
3. Do large donors seek to make money in order to give it away, or do they accumulate wealth because of greed or ambition as an end in itself, and make charitable gifts as an after-thought? How does the motivation of the wealthy towards giving differ, if at all, from that of people of lesser means?
4. Do the motivations of donors for their giving make any difference to you so long as their deeds accomplish good for others? If so, what difference do the motivations make? If they are scoundrels or crooks in the making of their money, does that affect how you view their giving?
5. As a wealthy parent, how should you think about the question of whether and how much to give of your wealth to your children?
6. What are the arguments for and against anonymous giving?
7. As the president of a university which is offered a large gift by someone known to have been convicted of securities fraud, would you accept the gift even if you know it was motivated by the donor's wish to gain or regain respectability? How does the motivation of such a donor differ from that of other donors who give similar gifts?
8. Are there any objective criteria of worthiness that donors can use to choose among the many competing potential recipients, or are such choices ultimately always subjective? How do individuals make these choices? How do foundations make these choices?
9. To what extent do donors' religious, philosophical, economic or political views determine how and what they give?
10. As the decision of whether to spend-down or give while living is, at bottom, a decision of the donor, we have put a collection of articles on that subject below under "recommended readings." If you are especially interested in the subject of giving while living versus perpetual foundations, please look carefully at the list of articles below.

Required Readings (64 pages):

- Andrew Carnegie, "The Gospel of Wealth," and Barry Karl, "Andrew Carnegie and His Gospel," in Dwight Burlingame, ed., The Responsibilities of Wealth. Indiana University Press, 1992, (25 double pages, actual 49).
- Rabbi Jonathan Sacks, "5. The Way of Tzedakah: Love as Justice" "Maimonides Ladder of Giving," http://www.rabbisacks.org/wp-content/uploads/2007/09/tendaystenways-final1.pdf (5).
- Andrew Serazin, "Donor Intent is Critical to Strategic Philanthropy," Stanford Social Innovation Review (Summer 2021), (5).
- Betsy McKay and Emily Glazer, "Melinda French Gates Adjusts to a New, Solo Role," *Wall Street Journal*, January 6, 2023, https://www.wsj.com/articles/melinda-french-gates-adjusts-to-a-new-solo-role-11673017870. (5).

4. February 8: RATIONALES AND PURPOSES OF TAX EXEMPTION

Taxation I: Rationales for tax exemption of foundations and voluntary organizations, government constraints imposed in exchange for tax exemption (public policy exemption).

Paper #3 Due on Sunday, February 5th, by 4:00 p.m.: Analyze the required readings in Fishman/Schwarz. In particular, consider the several theories that justify tax exemption and assess their persuasiveness. Consider how those theories apply to the National Collegiate Athletic Association, Bob Jones University, and other organizations. In that connection, discuss IHC Health Plans, Inc. v. Commissioner (pp.305-312), Bob Jones University v. United States (pp.344-370) and Holy Spirit Association v. Tax Commission (p.388-393), Regan v. Taxation With Representation (pp 477-484), Branch Ministries v Rossotti (pp 484-494) cases. Page numbers are to the Fifth Edition. Should "charity" be construed more narrowly to aid the poor? Should charity be construed as broadly as it is to include gifts such as the maintenance of pets or other non-human benefiting purposes? And, if so, where would you draw the line between appropriate and inappropriate purposes of tax-exemption?

<u>Study Questions:</u>

1. What are the policy objectives of legislation establishing tax-exemption of organizations and the deductibility of gifts to them?
2. How relevant to good government practices are these policy objectives?
3. What burdens, if any, ought government to be reasonably able to impose by way of reporting requirements, taxes, financial pay-out requirements, restrictions on lobbying, or other burdens?
4. Should the tax exemption for religious activities extend to organizations which advocate discrimination on the basis of race, anti-Semitism, anti-Islam, or other widely disfavored positions? Where should society draw the line?
5. How do we decide what type of "religious" organizations are entitled to charitable deductions? Issues have been raised relating to voodoo, Wicca and other "non-traditional religions." Is there any definition of what a "religion" is that has real 'bite'?

<u>Required Readings (91 pages):</u>

- Fishman/Schwartz (6th edition) pages indicated below, (71).
    - "An Overview of the Federal Tax Treatment of Charitable Organizations," (p. 40-45).
    - Cases: IHC Health Plans, Inc. v. Commissioner (p. 324-339), Bob Jones University v. United States (p. 367-395), Holy Spirit Association v. Tax Commission (p. 417-422), Regan v. Taxation With Representation (p. 518-526), Branch Ministries v. Rossotti (526-536).
- James Freeman, "Tax-Exempt Group Favors Higher Rates on Tax Payers," The New York Times, (6/10/21), (3).
- Dan Parks, "Sens. Grassley & King Push Measure to Accelerate DAF and Foundation Giving," The Chronicle of Philanthropy, (6/9/21), (3).
- Philanthropy Roundtable Staff, "Roundtable Responds to King Grassley Senate Bill Targeting Charitable Giving," (6/9/21), (2).
- Lloyd Hitoshi Mayer, "The Limits of the Bob Jones Decision: Why We Shouldn't Rely on the IRS to police uncivil civil society," HistPhil, (5/6/21), (4).
- Philip Rojc, "The Super Rich Skate Around Paying Income Tax. Is Philanthropy Complicit?" Inside Philanthropy, (6/16/21), (7).
- Dan Parks & Eden Stiffman, "Value of Charitable Deductions for All Americans Still Unclear," The Chronicle of Philanthropy," (6/27/21), (4).

5. February 15: TAX EXEMPTION AND TAX DEDUCTION AS A POLICY LEVER

Effectiveness of Charitable Exemptions: The nitty gritty of tax exemptions and deductibility of contributions; effectiveness of tax policy in increasing/decreasing donations.

Paper #4 Due on Sunday, February 12th, 4:00 p.m.: Analyze and synthesize the required readings in Fishman and Schwartz especially the major cases but focus your paper on the Reich article, especially his treatment of the tax deduction. Spell out what you think would be the problems when moving from a uniform deduction based on the progressive income tax system to a tiered deduction based on the redistributional nature of the charitable organizations receiving donations. Should organizations aiding the poor enjoy more favorable tax treatment? Can you think of a PRACTICAL means of distinguishing them? Remember that most general nonprofit organizations allocate some portion of their revenues to redistributional purposes (e.g., universities providing scholarships to those who cannot afford full costs, and religious institutions that provide food for the hungry and homeless shelters). How could you neatly classify those?

<u>Study Questions</u>:

1. In general, analyze and synthesize the required readings in Fishman/Schwarz, especially the major cases -- Page numbers are to the Fifth Edition (Church of Scientology [p. 417-424], United Cancer Council [p. 226-233], Sklar [p. 783-793], Hernandez [p. 785-786, 788, 791-792], Blake [p. 802-806], and Winokur [p.815]).
2. How would you restructure tax preferences to provide incentives for greater charitable giving without unduly benefiting the wealthy at the expense of the less-well-off?
3. How should we view tax-reduction-motivated charitable schemes proposed by financial advisors and salesmen?
4. What role should the needs of prospective recipients play in allocating charitable resources, as opposed to the goals of the donors?
5. Absent tax preferences, would foundations exist? Would individuals donate? To what extent should Congress stipulate a maximum term of years for the life of a foundation? Are there reasons a foundation should be limited in life while all other charitable organizations are permitted to exist in perpetuity?
6. When and why did the United States, either in federal legislation or in laws enacted by state governments, institute tax deductibility for charitable gifts?
7. It has been argued that both tax-exemption and tax-deductibility are forms of public subsidy. Do you agree? What are the arguments for and against such tax incentives for socially beneficial activities? What are the arguments for and against offering citizens leverage over the resources of others as an incentive to them to give their own resources to those purposes that serve the public interest?
8. How valid is the argument that, absent such an offer of leverage, individuals would not contribute private money to the same extent and thereby make society poorer by augmenting expenditures of tax revenues for the same purposes? What empirical data are relevant?
9. Is the true effect of tax deductions for charitable gifts to force some Americans to pay slightly higher taxes in order to subsidize the charitable giving of others? Why let some individuals determine how to spend the money of other individuals?
10. Would America be better off if citizens could not take tax deductions for charitable giving, preventing Congress from spending the tax savings on whatever it regards as the most pressing ills? Which kinds of institutions would suffer most from such a change?
11. What are the policy purposes of the estate tax? Should it be permanently repealed, and if not, why?
12. Do wealthy people give a larger percentage of their income to charity than poor people do? Do founders of foundations give from income or from capital? Do they usually get a tax benefit from doing so? What is the nature of that tax benefit, if any?
13. Is the purpose of making available tax deductions in any way undermined by donors' decisions to make gifts consonant with their tastes, substantive interests and backgrounds, rather than with those social ills thought to be more pressing?

<u>Required Readings (48 pages):</u>

- Fishman/Schwarz (6th edition), pages indicated below, (29).
    - Cases: Church of Scientology of California v. Commissioner (p. 450-457), Hernandez, Sklar v. Commissioner (p. 869-880), Blake v. Commissioner (p. 891-896), Winokur (p. 905).

- Rob Reich, “Philanthropy in the Service of Democracy,” Stanford Social Science Review, Winter 2019, (17).
- Anand Giridharadas, “Beware Rich People Who Say They Want to Change the World,” The New York Times, 8/24/18, (2).

6. February 22: SPECIAL GUEST SPEAKER: Mayor Bibb of Cleveland, Ohio

Mayor Justin M. Bibb is the 58th Mayor of Cleveland working to improve public safety, invest in neighborhoods and modernize City Hall. On January 3, 2022, Mayor Bibb took the oath of office as the city's first millennial mayor. Mayor Bibb was born and raised on Cleveland's southeast side in the Mt. Pleasant neighborhood. Over the past 15 years, Mayor Bibb has worked in government, business, and the nonprofit sector as an executive and nonprofit leader. He started his career in public service working for President Obama when he was in the U.S. Senate and later at Cuyahoga County as a Special Assistant advising on education and economic development policies. He led the Global Cities Practice at global research firm Gallup, served as Vice President at KeyBank and most recently as Chief Strategy Officer at Urbanova, a startup focused on improving cities.

Mayor Bibb is a proud American University alumnus with an undergraduate degree in Urban Studies. He completed the General Course Programme with an emphasis in Social Policy and Economics from the London School of Economics and is a graduate of Case Western Reserve University. He holds a Master of Business Administration (MBA) and Doctor of Law (JD).

Mayor Bibb's vision for Cleveland is to become a national model for city management, police reform, and neighborhood revitalization.

7. March 1: PHILOSOPHY OF PHILANTHROPY

Philosophy of Philanthropy: Individual givers and joiners: human and social impulses to charity, philanthropy and volunteerism. What do "philanthropy," "charity," "altruism," "nonprofit sector," "volunteering," mean, and why do we value them?

Paper #5 Due on Sunday, February 26th, 4:00 p.m.: First, in a paragraph or two, try to formulate what you consider the strongest definition of, or rationale for, altruism. Next, describe some kinds of activity that conform to that definition or rationale. Are there kinds of activity commonly thought of as altruistic or philanthropic that do not meet your standard? Where possible, compare and contrast your view with those of the assigned authors in America's Voluntary Spirit. Finally, describe a philanthropic or charitable activity that you support, whether with time, money, or both. If you have not supported any such activity — perhaps for lack of time and money — describe something that you wish you could support and would support if resources and time permitted. In either case, please be precise about what kind of support you provided (or would wish to provide). Analyze your reasons and methods for choosing this cause. How well does it conform to the definition or rationale you described at the outset? How important to you are factors such as: the type of organization undertaking the activity, the tax benefits to you (if any) of supporting it, the way the organization is structured and managed, the places where it operates, and any religious or philosophical kinship you may feel with those carrying out the activity?

Study Questions:

1. What does "philanthropy" mean? Is it different from "charity" or "altruism," and if so, how?
2. Do these meanings necessarily change over time, as social, economic, and political circumstances change? To what extent are the definitions dependent on context, and to what extent are they fixed?
3. Why do people give money or donate time? Why do they say that they give? Why should they give? What justifications do non-givers use, and how persuasive are they? What do religion, philosophy, and psychology have to say about these questions?
4. Are charity, altruism, and/or philanthropy necessarily selfless? Does it count as philanthropy or charity when people reap praise or fame or business advancement as a side-effect of their giving? How about "enlightened self-interest" — when a good deed, or gift, benefits all of society (including the giver), does that count as altruism?
5. Similarly, does a tax incentive compromise the genuineness of a charitable donation? Should governments provide financial incentives for charitable giving (thus reducing, by definition, the selflessness of the gift)?
6. Why do we become involved in the lives of others, in mutual help activities, in altruistic community undertakings?
7. How do giving and volunteering vary with respect to racial, religious, ethnic and socioeconomic status? How might you account for the differences?
8. Do the various types of nonprofit organizations and causes appeal to different kinds of philanthropic impulses? Is the fundamental wish to give to arts or educational institutions different from that behind giving to religion, to services for the needy, to scientific research, or to community improvements?
9. Are there fundamental differences in the meaning of philanthropy, charity, and/or altruism for those who give modest amounts of time and money (i.e., not enough to alter the recipient's budget profoundly) as compared with those who give great fortunes and underwrite major undertakings?
10. How much should someone give -- a minimum percentage of income or of accumulated wealth, or only as the spirit moves them?

Required Readings (93 pages):

- Brian O'Connell, ed., America's Voluntary Spirit. The Foundation Center, 1983. p. 11-22, 35-58, 63-72. (46).
- De Tocqueville "On the Use Which the Americans Make of Public Associations in Civil Life" (6).
- Jason Saul, "Why We Need Better Ways to Help Donors Understand the Cost of Solving Big Problems," The Chronicle of Philanthropy (09/29/20), (8).
- Alex Daniels, "In Times of Rancor, Nonprofits Help Americans Find Common Ground," The Chronicle of Philanthropy (10/06/20), (10).

8. MARCH 8: CHANGING ATTITUDES TOWARD PHILANTRHOPY AND NONPROFITS

Changing public attitudes towards wealth, philanthropy, nonprofits, and substantive criticism of the sector

Paper #6 Due on Sunday, March 5th, 4:00 p.m.: With a pandemic raging, nationwide protests for racial equity and fundamental American institutions such as free and fair elections on the brink, there is a myriad of pressing issues facing the U.S. In this paper, reflect on current events and choose one issue you think is most important to society and explain why. Then, discuss how philanthropy could play a role in tackling, solving, easing (or exacerbating) this issue.

Study Questions:

1. Are recent criticisms of philanthropy, particularly philanthropy's role in perpetuating inequality, justifiable? Why or why not?
2. What type of 'access' should the public have when it comes to the decision-making of private philanthropy? Does the average taxpayer, by virtue of the tax-subsidized nature of charitable donation, have an expectation to be abel to inspect or even participate in the philanthropic decisions of others?
3. Is the increased public skepticism of donor motivation warranted? If so, why? If not, what should philanthropic organizations do to diminish public skepticism?

Required Readings (84 pages):

- Marc Benioff, "We Need a New Capitalism," New York Times, (10/14/19), (2).
- Paul Vallely, "How philanthropy benefits the super-rich," The Guardian (09/08/20), (16).
- The Faculty of the Lily Family School of Philanthropy, "Inclusive Philanthropy," Stanford Social Innovation Review (Fall 2020), (12).
- Johanna Still, "Should the new community foundation – managing $1.25 billion of the public's money, be subject to public record laws?" Port City Daily (09/22/20), (15).
- Ellen Friedman, Glenn Galaich, and Pia Infante, "There is No Better time Than Now for Philanthropy to Spend Itself Out of Existence," The Chronicle of Philanthropy (07/28/20), (7).
- Alan M. Cantor, "Fidelity Charitable: Using Grants to Win Friends, Influence People, and Silence Critics," The Chronicle of Philanthropy (10/21/20), (5).
- Philip Rojc, "Mixed Messages: Mark Zuckerburg and Priscila Chan's Problematic Democracy Gift," Inside Philanthropy (09/03/20), (8).
- Philip Rojc, "The Sackler Toxic Donor Saga Continues with a Ban on "Reputation Laundering" Naming Rights"(7/20/21), (7).
- Editorial Board, "OPINION: Sharing the Wealth," The New York Times, (7/16/21), (4).
- Editorial Board, "OPINION: The U.S. is Growing More Unequal. That's Harmful – and Fixable," The New York Times, (7/16/21), (3).
- Editorial Board, "OPINION: The Smartest Way to Make the Rich Pay is Not a Wealth Tax," The New York Times (7/21/21), (3).
- Editorial Board, "OPINION: "How to Close the Wealth Gap from the Bottom Up," The New York Times, (7/26/21), (2).

9. March 15: Spring Break, no class

10. March 22: BILLY SHORE SHARE OUR STRENGTH

Billy Shore is the founder and executive chair of Share Our Strength, the parent organization for the No Kid Hungry campaign. Since founding Share Our Strength in 1984 with his sister Debbie, Billy has led the organization in raising more than $1 billion to fight hunger and poverty and has won the support of national leaders in business, government, health, and education, sports, and entertainment. Billy is also the chair of Community Wealth Partners, Share Our Strength's for-profit consulting firm which provides strategic consulting to help leaders and communities solve social problems.

Before founding Share Our Strength, Billy served on the senatorial and presidential campaign staffs for former U.S. Senator Gary Hart and as chief of staff to former U.S. Senator Robert Kerrey. In 2014, congressional leaders appointed him to the National Commission on Hunger, tasked with finding innovative ways to end hunger in America.

In addition to his work with Share Our Strength, Billy is a leading voice in the national conversation on hunger and poverty. He is the author of four books focused on social change, including "Revolution of the Heart" (Riverhead Press, 1995), "The Cathedral Within" (Random House, 1999), "The Light of Conscience" (Random House, 2004) and most recently, "The Imaginations of Unreasonable Men" (Public Affairs, 2010). He also hosts Add Passion and Stir, a weekly podcast that brings together high-profile chefs and change-makers to talk about the central role food plays in social justice.

A native of Pittsburgh, Pa., Billy earned a Bachelor of Arts at the University of Pennsylvania and his law degree from George Washington University in Washington, DC. He has been an adjunct professor at New York University's Stern School of Business and an advisor at the John F. Kennedy School of Government. From 2001 to 2011, he served as a director of The Timberland Company. Billy was named one of America's Best Leaders by US News & World Report.

11. MARCH 29: DIVERSITY, REPRESENTATION, AND INCLUSION IN PHILANTHROPY. WHO GETS TO MAKE THESE DECISIONS AND WHY?

Over the past few years, philanthropy has come under fire for perpetuating systems of inherent inequality. In particular, many foundations fail to hire leaders that reflect the communities in which they make grants or fail to make grants to minority communities in some reasonable proportion to population sizes. Today's class will focus on the challenges of diversity and inclusion in philanthropy, why these challenges exist, and what organizations are doing improve.

Study Questions:

1. Why is diversity and inclusion important for nonprofits and foundations, especially in terms of organization and board leadership?
2. What can organizations do to improve diversity and inclusion internally? In what ways might such improvements affect organizations' performance outwardly?
3. What challenges or opportunities do you foresee in grantmaking to grassroots organizations that may not have resources to measure impact? How should leaders consider the trade-offs between autonomy to grantees and foundation oversight?
4. In what ways are foundations and nonprofits encouraging participatory grantmaking and/or listening and attending to the needs of communities they serve? What other methods exist to include the voices of the communities targeted by grantmakers and foundations?
5. What unique role can community foundations, given the proximity to grantees and program recipients, play in supporting more inclusive grantmaking?
6. Consider the example of Mark Zuckerberg's and Cory Booker's attempt to use philanthropy to improve Newark's public school system. What risks do philanthropic programs and initiatives pose for vulnerable communities? Can organizations mitigate these risks, and if so, how?

Required Readings (120 pages):

Leadership

- Emily Haynes and Karenna Warden, "Achieving Diversity, Equity, and Inclusion: A Curated Guide to Help Nonprofits," The Chronicle of Philanthropy (08/19/20), (4).
- Joshua Eferighe, "How to Confront Racism in Philanthropy," A Modern Media Company (08/24/20), (5).
- Rebecca Greenfield, "Stop Waiting for Capitalism to Cure Inequality," Bloomberg (09/23/20), (12).
- Alex Daniels, "Foundations Show Little Progress in Making Their Staff More Diverse," The Chronicle of Philanthropy (10/13/20), (5).
- Debi Gahte, "Diversity Mandates from Foundations Make it Harder for Nonprofits to Do Their Jobs Well," The Chronicle of Philanthropy, (12/2/20), (3).
- Maria DiMento, "How Women Will Shape Philanthropy in the Decade Ahead," The Chronicle of Philanthropy, (8/16/21), (3).
- Rena Greitfinger, "Embracing Feminism Can Change Philanthropy and Create a More Equitable World," The Chronicle of Philanthropy, (6/9/21), (4).
- Maria DiMento, "The Pandemic, Racial Reckoning, and Other Crises Are Helping to Close the Gender Gap in Giving by the Rich," The Chronicle of Philanthropy, (6/23/21), (2).

Funding

- Marc Gunther, "Fund Us Like You Want Us to Win," The Chronicle of Philanthropy (08/25/20), (13).
- April Nishimura, Roshni Sampath, Vu Le, Anbar Mahar Sheikh & Ananda Valenzuela, "Transformational Capacity Building," Stanford Social Innovation Review (Fall 2020), (15).
- Erica Kohl-Arenas and Megan Ming Francis, "Philanthropy is Once Again Undermining Racial-Justice Movements," The Chronicle of Philanthropy (09/09/20), (6).
- Renee Karibi-Whyte, "Foundations Should Examine Practices That Prevent Them from Giving Grantees More Power," The Chronicle of Philanthropy (10/13/20), (6).
- Olivera Perkins, "Fund for Black-Led Grassroots Groups Is Upending Traditional Grantmaking," The Chronicle of Philanthropy, (06/23/21), (5).

Private Sector

- Jennifer Surane, “Citi Pledges to Become Antiracist, Review Internal Policies,” Bloomberg (09/23/20), (4).
- Alex Daniels, “Companies Lead Philanthropic Response to Calls for Racial Justice, but Will It Last?” The Chronicle of Philanthropy (08/24/20), (8).
- Nick Fouriezos, “Can They Redefine the C-Suite as the B-Suite?” A Modern Media Company (09/08/20), (4).
- Hannah Levitt, “Wells Fargo CEO Apologizes for ‘Limited’ Black Talent Remark,” Bloomberg (09/23/20), (6).
- Mike Allen, “Top CEOs Admit Racial Divide Promise to Work for “Real Change,” Axios (10/15/20), (8).
- Rebecca Greenfield, “They’ve Helped Women. Can Quotas Help Change the Racial Makeup of C-suites and Management,” Bloomberg Businessweek, (6/20/20), (2).
- Directors & Boards, “Nasdaq Moves to Require Board Diversity,” (12/07/20), (2).
- Ralph Lauren Corporation, “DEI Commitment,” (2020), (3).

12. APRIL 5: NEW WAYS TO THINK ABOUT SOLVING AMERICA'S PUBLIC POLICY PROBLEMS, DRAWING ON THE EXPERIENCE OF INNOVATORS IN AMERICA AS WELL AS OTHER COUNTRIES

Ever since President Roosevelt's New Deal about 75 years ago, the conventional, one might even call it knee-jerk, approach by centrist and liberal scholars, activists and public officials has been to seek to mitigate or solve public policy problems by defaulting to government programs for doing so. In recent years, that conditioned response has been frequently challenged by reformers and visionaries who point out that there may well be other, more effective ways to deal with social policy problems than what we have inherited from the past. The purpose of this week's class is to surface and discuss some of the initiatives that have been advanced and tried out, such as direct giving of money to poor people rather than by packaging support in government-designed and dictated programs with requirements to be satisfied before receiving support.

Study Questions:

1. What are the critical factors that could raise the effectiveness of the social sector significantly? Is it right to believe that new approaches to philanthropy (as opposed to simply giving more money) can make a material difference in how much good nonprofits can achieve?
2. Specifically, can philanthropy do much to increase the quality of leadership and the extent of social entrepreneurship in the social sectors? Are there differences between outstanding leadership and social entrepreneurship? If so, in what ways are the two different and in what ways are they similar?
3. Should foundations view their investment portfolios as a principal means of pursuing the public good? Or would they do better simply to maximize returns on their investments so that they can give away as much as possible in grants?
4. Do Environmental, Social, Governance (ESG) criteria paint an accurate picture of company or organization's impact? Should traditional investors prioritize ESG criteria?
5. Is it desirable to evaluate targets of charitable giving according to which ones produce the maximum social return on a donated dollar? Is this the greatest and best approach, merely one useful criterion among many, or a misguided way of thinking about charitable giving?
6. Are there elements other than leadership, capital, and measuring effectiveness that would improve philanthropy?
7. Is it right to consider some forms or methods of philanthropy superior to others, and if so, by what standard?
8. Venture philanthropy—the new philanthropy of the twenty-first century: what does it mean?

Required Readings (87 pages):

On Leadership and Social Entrepreneurship

- Nick Lovegrove and Matthew Thomas, "Triple-Strength Leadership," Harvard Business Review, September 2013, (16).
- Roger L. Martin and Sally Osberg, "Social Entrepreneurship: The Case for Definition," Stanford Social Innovation Review, Spring 2007, (18).
- J. Gregory Dees, "The Meaning of Social Entrepreneurship, (5/30/01), (5).

On Impact (or "Mission") Investing

- Amy Cortese, "Investor protests fail to stop Trump administration rule squelching ESG investing," Impact Alpha, November 2, 2020. https://impactalpha.com/investor-protests-fail-to-stop-trump-administration-rule-squelching-esg-investing/ , (5).
- U.S. Department of Labor, "U.S. Department of Labor Proposes New Investment Duties Rule," U.S. Department of Labor, June 23, 2020. https://www.dol.gov/newsroom/releases/ebsa/ebsa20200623, (1).
- Larry Kramer, "Down the Rabbit Hole? Impact Investing and Large Foundations," Stanford Social Innovation Review, 06/12/17, (5).
- Ben Powell, "Social Entrepreneurship Needs a New Funding Model," Stanford Social Innovation Review (Fall 2020), (7).
- Jaimie Mayer, "OPINION: Impact Investing Works. Here's How Our Family Foundation Made Sure it Made a Real Difference," The Chronicle of Philanthropy, (8/2/21), (3).

B-Corps and Stakeholder Capitalism

- Christopher Marquis "The B Corps Movement Goes Big," Stanford Social Innovation Review (Fall 2020), 14.
- Peter S. Goodman, "Stakeholder Capitalism Gets a Report Card. It's Not Good.," The New York Times (09/22/20), (13).
- Lester M. Salamon, "A Vast New Source for Social Purpose Finance," Stanford Social Innovation Review (Fall 2020), (5).

13. April 12: LIMITATIONS OF NON-PROFIT INFLUENCE ON THE GOVERNMENT AND THE FUTURE OF THE SOCIAL SECTOR

Recent ideas and trends aimed at greater impact in the social sector: new forms of philanthropy, social entrepreneurship, and impact investing.

Study Questions:

1. What are some of the arguments for a wider understanding of how foundations achieve beneficial impacts on society through their grant making strategies?
2. Consider recent trends by foundations to award more general operating support and require fewer grant reports. What ramifications do such decisions have on a foundation's ability to measure their progress toward their stated goals?
3. How does impact measurement change the type of grants foundations are willing to make? Does a focus on metrics by foundations limit the type of grants only for those efforts that are easily quantifiable?
4. Many social issues that foundations seek to solve are very complex. For example, childhood hunger is not simply about a lack of food. Given this complexity, what are the risks of employing strategic philanthropy tools like impact measurement in the context of social issues?
5. Are there political implications for effectively measuring the impact of foundations and publicizing those impacts?
6. Should philanthropy play a larger role in shaping policy, or should the government drive support from the philanthropic sector? Who should initiate and drive the policy agenda?

Required Readings (55 pages):

- Jim Collins, Good to Great and the Social Sectors: A Monograph to Accompany Good to Great, 2005. 1-35, (35).
- Faye Twersky, "Time for a Three-Legged Measurement Stool," Stanford Social Innovation Review, Winter 2019, (5).
- Hal Harvey, "Why I regret Pushing Strategic Philanthropy," Chronicle of Philanthropy, 04/04/16, (5).
- Mike Scutari, "'Patient Capitalism' Has its Limits: Another Outlet Folds After its Main Funder Cuts Off Support," Inside Philanthropy (10/28/20), (8).
- Buttonwood, "Lessons from the endowment model: there is more to it than buying alternatives and be contrarian," The Economist (10/3/20), (2).

14. April 19: Effective Altruism: A way forward, or a utilitarian trap?

Efficient distribution of philanthropic resources is a laudable goal, but at what point does maximization of efficiency hinder philanthropy's aims?

Study Questions:

1. What are some of the arguments for and against Effective Altruism
2. Effective Altruists rely heavily on the Moral Philosophy known as utilitarianism. What is it? are you a utilitarian?
3. Has philanthropy as it is practiced in the United States trended towards or away from Effective Altrusim in the previous decades? Why?

Required Readings (20 pages):

- Sigal Samuel, "Effective altruism gave rise to Sam Bankman-Fried. Now it's facing a moral reckoning," *Vox*, November 16, 2022, (4).
- Peter Singer, "The Singer Solution to World Poverty," *The New York Times Magazine*, September 5, 1999, (3).
- Ellen Huet, "Professor Behind Effective Altruism on What SBF's Fall Means," *Bloomberg*, November 25, 2022, (5).
- Ross Douthat, "The Case for a Less-Effective Altruism," November 18, 2022, (4).
- Ezra Klein, "The Big Thing Effective Altruism (Still) Gets Right," *The New York Times*, December 4, 2022, (5).

TERM PAPERS DUE NO LATER THAN SUNDAY, APRIL 30, 2023, AT 4:00 P.M. IN PROFESSOR FLEISHMAN'S AND PROFFESOR CIRCOSTA'S INBOXES BY WORD ATTACHMENT TO EMAIL. SEE PAGES FOUR AND FIVE FOR TERM PAPER INSTRUCTIONS.